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C O N F I D E N T I A L BERLIN 002976

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E.O. 12958: DECL: 10/10/2016

TAGS: ETTC KNNP MNUC PARM PREL TRGY KGIT IAEA IN GM

SUBJECT: GERMAN NONPROLIFERATION PRIORITIES INCLUDE G-8  
GLOBAL PARTNERSHIP AND PROMOTING FUEL CYCLE INITIATIVE

REF: A. UNVIE 741

1B. BERLIN 2934 AND PREVIOUS  
1C. BERLIN 2506

Classified By: Global Affairs Counselor Donald R. Shemanski  
for reasons 1.4 (b) and (d).

11. (C) Summary: German MFA Office Director for Nuclear Nonproliferation, International Energy, and Nuclear Energy Policy Thomas Meister told Global Affairs Counselor October 6 that Germany is still in the process of formulating nonproliferation priorities for its G-8 Presidency, but will focus in part on advancing the G-8 Global Partnership Against the Spread of Weapons and Materials of Mass Destruction. Meister said Germany would also use FM Steinmeier's new fuel cycle initiative to foster discussion within the international community on providing incentives for countries to voluntarily choose not to pursue enrichment and reprocessing. Meister said Germany would like the IAEA and EU to play more significant roles in the Global Initiative Against Nuclear Terrorism. On civil nuclear cooperation with India, Meister said Germany would like to see India take concrete steps to demonstrate its commitment to nonproliferation. End Summary.

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G-8 Nonproliferation Planning Underway  
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12. (C) Meister said Germany is working internally to formulate nonproliferation priorities for its G-8 Presidency, but speculated that any nonproliferation initiatives would fall under the umbrella of Germany's broader disarmament agenda. Meister said Germany will focus in part on completing a mid-term review of the G-8 Global Partnership Against the Spread of Weapons and Materials of Mass Destruction. Noting some countries have not yet moved beyond completion of initial memoranda of understanding, Meister said Germany will work to energize partners to fulfill commitments made in 2002. Meister said Germany is pleased with its progress to date on Global Partnership projects to modernize Russia's infrastructure for the physical protection of nuclear materials and construction of facilities for the secure storage of reactor compartments removed from decommissioned Russian nuclear submarines.

¶ 13. (C) Meister said Germany will also focus on advancing FM Steinmeier's new fuel cycle initiative. Steinmeier first proposed the initiative in a September 18 article in the German newspaper "Handelsblatt." Meister explained the proposal is meant to complement the Six-Country Concept for a Multilateral Mechanism for Reliable Access to Nuclear Fuel proposed by the USG, UK, France, the Netherlands, Russia, and Germany (ref A). The German proposal envisions the creation of an enrichment plant to be operated under the supervision of the IAEA in a small extraterritorial area which would be under IAEA control. The IAEA would invite bids to construct an enrichment plant on the territory, which would be run on a commercial basis and operate as a competitor in the world market. As the sole condition of delivery, the IAEA would require states to guarantee the fuel supplied would be used for peaceful purposes, subject to safeguards. The German proposal calls for the plant to be operated as a black box to prevent technology transfer.

¶ 14. (C) Meister said the extraterritorial nature of Germany's fuel cycle initiative would address NAM concerns about Western countries' involvement in earlier enrichment and reprocessing proposals. The German initiative would not require countries to cancel their own enrichment programs, but would provide a less expensive alternative to pursuing enrichment on their own. Meister said the proposal was not specifically related to Iran, but would help to avoid similar situations in the future. Meister conceded the German proposal is an ambitious exercise and noted its primary intent is to foster further discussion on providing incentives for countries to voluntarily choose not to pursue enrichment and reprocessing.

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Global Initiative

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¶ 15. (C) Meister said Germany welcomes the Global Initiative to Combat Nuclear Terrorism (GI) and expressed appreciation for the September visit of a U.S. delegation to Germany to introduce the Initiative (ref B). Meister said a primary goal of the German interagency review of GI draft documents currently underway is to ensure the Initiative adds value to the international nonproliferation regime. Meister noted the GI is, in many ways, similar to the Proliferation Security Initiative (PSI). Meister reiterated Germany's commitment to PSI, but said important philosophical differences have not yet been resolved. Meister stated Germany would like to see the IAEA participate in the GI as more than an observer. As with PSI, Meister said, Germany would suggest a greater role for the EU.

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Civil Nuclear Cooperation with India

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¶ 16. (C) Meister said Germany remains skeptical that civil nuclear cooperation with India will strengthen the international nonproliferation regime and would like India to demonstrate its commitment to nonproliferation by agreeing to a moratorium on fissile material production or signing the CTBT. He noted Germany is watching developments in Congress closely and looks forward to a planned briefing on Indian actions and views on the margins of the October NSG Consultative Group meeting in Vienna. (NOTE: Meister will head the German delegation to the NSG Consultative Group meeting. END NOTE). Meister said Germany and India have a strong relationship, citing bilateral efforts to expand trade and build a strategic partnership on energy and other issues. Meister noted Germany and India signed a defense cooperation agreement in early September. The agreement reportedly calls for joint training, technology transfers, and co-production of high-tech military hardware.

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